


MADE at the City of Calgary, in the Province of Alberta, on 27th day of October 2004.	ALBERTA I 
AltaGas Utilities Inc. Revision to Rate Rider 'E' – Unaccounted for Gas	Application No. 1365047

1 INTRODUCTION

On October 15, 2004, AltaGas Utilities Inc. (AltaGas or AUI) filed an application (the Application) with the Alberta Energy and Utilities Board (the Board) for approval to decrease Rate Rider “E” from 1.10 per cent to 1.03 per cent effective November 1, 2004. Rider “E” sets out the rate for Unaccounted for Gas (UFG), which is used in the determination of the Gas Cost Recovery Rate (GCRR) and recovery of line loss from all transportation end-use and transportation core market end-use customers. The current rate of 1.10 per cent was approved in Order U2003-392, dated October 27, 2003.

After May 31 each year, AltaGas calculates an annual UFG percentage on the total throughput contributing to UFG. The UFG rate in Rider “E” represents the arithmetic average of the UFG percentages in the last five years. Details of the determination of the rate are provided in Appendix I.

AltaGas provided details of the proposed rate adjustment to the following interested parties:

- Municipal Gas Co-op Interveners and Bonnyville Municipal Interveners (MGCI)
- Consumers Coalition of Alberta (CCA)
- Energy Users Association of Alberta
- Alberta Urban Municipalities Association

AltaGas indicated that these parties represented the same intervener groups that had participated in past AltaGas GCRR applications.

On October 22, 2004, AltaGas responded to information requests from the CCA and MGCI, specifically with regards to identifying receipts and deliveries for 2002 through 2004 in order to verify various calculations made by AltaGas. No interveners opposed the proposed change to AUI's UFG rate.

2 BOARD FINDINGS

Ordinarily, the Board would require timely public notice of an application and a reasonable review period for interested parties, and take into account representations received from those parties before issuing an order on the matter. In this case however, the Board notes that AltaGas distributed a copy of its proposal to those interested parties who normally participate in the process established to evaluate revisions to the GCRR. On the basis that these parties represent the majority of AltaGas' customers, the Board considers that distribution of the rate change proposal, in this instance, provides an adequate degree of public notice. Accordingly, pursuant to section 58(1) of the *Public Utilities Board Act*, R.S.A. 2000, c. P-45, the Board herein exercises its discretion to deal with the Application as if due notice had been given to all interested parties.

The Board has reviewed the information provided by AltaGas in the Application and in the October 22, 2004 filing. The Board notes that the UFG rate in Rider "E" was determined in a manner previously approved by the Board, and also notes that the interested parties canvassed by AltaGas did not oppose the proposed UFG rate adjustment. The Board therefore accepts the adjustment to Rate Rider "E" as proposed by AltaGas.

3 ORDER

THEREFORE IT IS ORDERED THAT:

For AltaGas Utilities Inc.:

Rider "E", as set out in Schedule "A" attached to and forming part of this Order, is hereby fixed and approved as the rate to be applied to all transportation end-user rates and transportation core market end-user rates for the recovery of Unaccounted for Gas, effective November 1, 2004.

SCHEDULE "A"

Effective by Order U2004-404
On Transportation November 1, 2004
This Replaces Rider "E"
Previously Effective November 1, 2003

ALTAGAS UTILITIES INC.

RIDER "E"

TO ALL TRANSPORTATION END-USER RATES AND TRANSPORTATION CORE MARKET END-USER RATES FOR THE RECOVERY OF UNACCOUNTED-FOR GAS

All Transportation End-Use and Transportation Core Market End-Use customers must supply at the Point(s) of Receipt 101.03% of the Gas Taken at the Point(s) of Delivery, or in the alternative, must pay the Company a sum equal to 1.03% of the number of GJ taken at the Point(s) of Delivery multiplied by the applicable Gas Cost Recovery Rate.

APPENDIX I

ALTAGAS UTILITIES INC.

**Determination of Unaccounted for Gas Rate
Effective November 1, 2004**

<u>Unaccounted for Gas for the Year Ended May 31,</u>	<u>Percentage</u>
2000	0.54
2001	2.18
2002	0.96
2003	0.76
2004	<u>0.73</u>
UFG rate (arithmetic average of the five years)	<u>1.03</u>

NOTE:

The unaccounted for gas percentage is calculated on the total throughput contributing to UFG.

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